

### **REMARKS/ARGUMENTS**

Applicants first would like to thank Examiner Nguyen and Examiner Caldarola for taking the time to discuss the pending application by teleconference on October 16, 2006, following our submission of an Amendment after Final on September 15, 2006.

Reconsideration and allowance of the present application based on the following remarks are respectfully requested. Claims 7, 11-12, 19, 23-24, 29, 33-34, and 39 have been amended. Support for all amendments can be found throughout the specification, such as, for example, at Examples 1, 2, 5, and at paragraph [0065]. No new matter has been added. Upon entry of the above amendments, claims 7-8, 10-15, 18-20, 22-30, 32-43, as amended, will be pending.

Claims 7-15 and 18-53 have been rejected under 35 U.S.C. 103(a) as obvious over U.S. Patent 5,792,340 ("Freel") in view of U.S. Patent 5,858,213 ("Chomyn") and U.S. Patent 5,626,741 ("Mosby"). The amendments to the claims are believed to place them in condition for allowance. Specifically, the claims have been amended such that the phrase "heavy hydrocarbon feedstock" now reads "bitumen", in the manner suggested by the Examiner. The cited references do not suggest a process for producing a vacuum gas oil (VGO) with a bitumen. One of ordinary skill in the art would recognize that bitumen (a material that has a Gravity API° associated therewith) differs from coal (which does not have an associated Gravity API°). For example, Applicants direct Examiner's attention to Example 5 of the present application, wherein bitumen having a Gravity API° of 8.6 is upgraded.

Applicants submit herewith a Request for Continued Examination (RCE) with the appropriate fees.

Therefore, all objections and rejections having been addressed, it is respectfully submitted that the present application is in a condition for allowance and a Notice to that effect is earnestly solicited.

Should any issues remain unresolved, the Examiner is encouraged to contact the undersigned attorney for Applicants at the telephone number indicated below in order to expeditiously resolve any remaining issues.

Respectfully submitted,

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